

EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

No 12 — December 1982

Supplement B

Economic prospects - business survey results

Stabilisation in European business opinion. — The fall in industrial business confidence noted in the third quarter of 1982, seems to have come to an end in November. This is indicated by recent results of the surveys carried out among senior executives of industrial firms in the Community. An improvement in production expectations, by 3 percentage points in November, accounts for the stabilization noted in the industrial confidence indicator; the other two components of the industrial indicator, order-book opinions and finished stock judgements, however, continued to weaken last month.

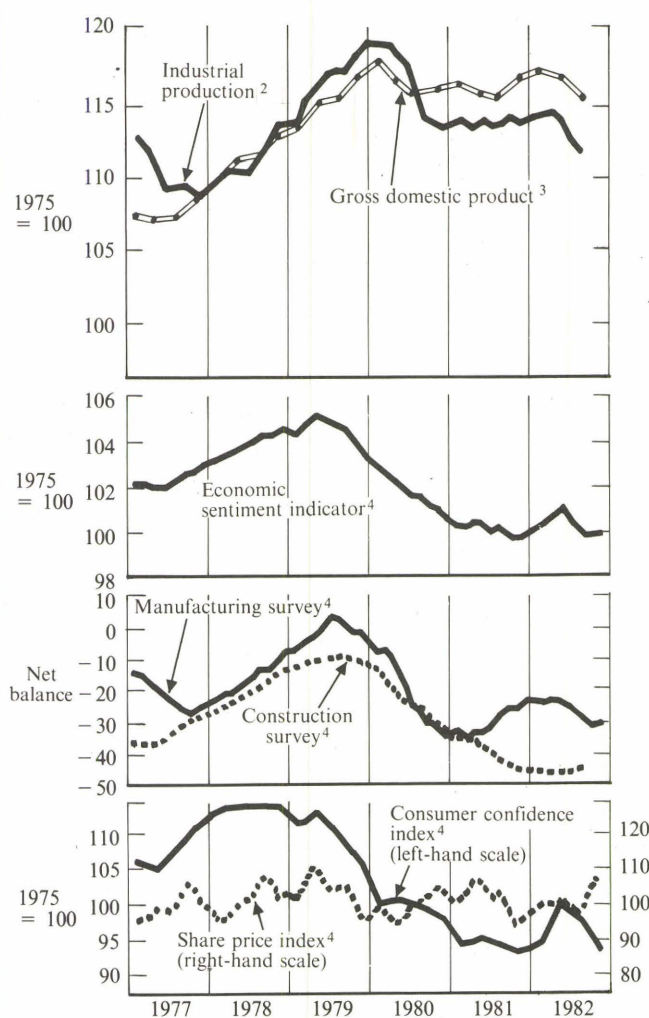
Note to readers

Starting with the November 1982 issue of 'European Economy — Supplement B', the synthetic indicator of industrial business opinion appearing in tables and graphs is based on an average of responses to the survey questions on short-term industrial production expectations, the state of total order-books and finished stock levels. The new measure will be referred to as the 'industrial confidence indicator'. It gives a fuller indication of industrial business confidence than the 'business climate indicator' previously used in 'Supplement B', which was based on production expectations and finished-stock assessments, since it adds judgements on order-books to these two. In recent years trends in the new 'industrial confidence indicator' have shown very similar trends to those of the previously-used 'business climate indicator', so that no material change in the diagnosis of the industrial business situation is currently implied by the change-over. The new, broader, measure of industrial opinion does, nevertheless, safeguard against incomplete monitoring of short-term trends, in circumstances in which substantial movements in order-book judgements occur in isolation from the other survey indicators.

Looking at the development of industrial opinion since the beginning of 1982, one can discern two phases: the first, from January to May, was a period of stability, at the improved level of confidence reached by the end of 1981; and the second, from June to October, saw renewed weakening in industrial confidence during which industrial opinion returned to the relatively pessimistic condition of mid-1981. The state of confidence at the present time (at the level of -31%, an average of the net balances of responses to three survey questions) is, however, far better than at the low point of the 1974/75 recession (when the indicator reached a trough of -49%).

Note: The statistical measure used to present the results of questions in the European Community business surveys is the difference between the percentages of respondents giving 'positive' and 'negative' replies. Increasing or upward trends in production, order-books, stocks and selling prices are all counted as 'positive' (+ in the tables) and vice versa for 'negative' responses (- in the tables). For the purpose of interpretation, an increase in stocks is considered to be a negative development. The difference between the percentages of 'positive' and 'negative' responses are called in the text 'majorities' or 'net balances' (of $\pm \dots\%$). The monthly and quarterly data in the tables are seasonally adjusted, except where otherwise stated.

GRAPH 1: Indicators of output and economic sentiment - European Community¹



For footnotes see next page.

Contrasting outlook of consumers and investors. — The economic sentiment indicator¹ (see Graph 1), a broad measure of economic opinion including consumers' perceptions of economic and financial conditions as recorded in the EC consumer survey² and investors' judgements expressed in terms of share prices, as well as opinions of industrialists, was stable in November by comparison with October. Its level, therefore, remains close to that observed since July 1982 and provides further evidence to suggest that sentiment of economic agents in general remains weak. The indicators of consumer opinion and of share prices taken separately, however, show varying trends. The consumer confidence index has fallen sharply since the second quarter of 1982 for the Community as a whole, showing that consumers' assessments of present economic and financial conditions are unfavourable and that they are pessimistic about future trends. In the latest Community-wide survey, in October 1982, consumers in all countries except for the United Kingdom registered lower levels of confidence than in the previous survey round (May 1982). In contrast, the Community index of stock exchange prices has been rising in recent months and the latest data available (October 1982) indicate a marked increase for the second consecutive month. Share prices rose particularly strongly in October in the Netherlands, the United Kingdom and Ireland.

The industrial climate in the Member States. — The new confidence indicator of manufacturing industry in the Federal Republic of Germany was unchanged in November (see Table 2). The net balances of chief executives' opinions on production expectations in the next few months improved by 5 percentage points, but the corresponding figures for assessments of order-books (total) and of stocks of finished products worsened, by 2 and 3 percentage points, respectively. The net proportion of industrialists who consider their order-books to be below normal therefore continues its downward trend, the November figure (–59) being the lowest in the current recession. The export outlook, however, improved in November, by 3 percentage points, suggesting that the deterioration observed during the first three quarters of 1982 may have come to an end. Selling-price expectations were markedly lower in November than in October, by 7 percentage points.

In France, industrial confidence improved slightly in November, so that, bearing in mind the stability between September and October, the worsening of confidence reported in the second and third quarters of 1982 appears to have halted. Production expectations increased by 2 percentage points and judgements of total order-books by 3 points. The majority of industrialists considering their finished product stocks to be above normal rose by 4 percentage points, however, and those expecting higher selling-prices increased by a similar figure.

The business confidence indicator in Italy was also slightly higher in November than in the previous month which, however, had seen a marked weakening of sentiment. The net balance of respondents expecting production to decline decreased by 5 percentage points, and chief executives' evaluations of stocks of finished products improved by the same degree, but total order-books were viewed much less favourably (by 8 percentage points). Selling-price expectations were unchanged.

Following three months in which the industrial climate was stable, the confidence indicator in the United Kingdom fell by 3 percentage points in November. Production expectations showed no change, but industrialists' assessments of total order-books and of stocks of finished products worsened by 7 and 2 percentage points, respectively. Order-books, both total and export, were more unfavourably viewed in November than at any time during 1982. The net balance of industrialists expecting higher selling-prices continued to fall in November (by 2 percentage points).

In the remaining countries, industrial confidence weakened in Belgium and the Netherlands in November, by 1 and 4 percentage points, respectively, but strengthened in Ireland (by 4 points) and in Luxembourg (by 5 points). Judgements on order-books were more pessimistic in Belgium and the Netherlands, and production expectations were also lower in the latter country. The improved industrial climate in Ireland was attributable to a sharp rise in production expectations and more favourable judgements of total order-books, while in Luxembourg there was a marked decline in the majority considering finished product stocks to be above normal.

Production outlook in the consumer, investment and intermediate-goods industries. — For the Community as a whole, the net balance of chief executives expecting production to decline in the coming months decreased by 3 percentage points for the intermediate goods industries, but rose for the consumer and investment goods industries by 3 and 2 percentage points, respectively. The improvement in the intermediate goods industry was due to a less unfavourable outlook in the Federal Republic of Germany, Ireland, Italy, Luxembourg and the United Kingdom. Producers in the consumer goods sector were notably more pessimistic in the Netherlands and the United Kingdom. These two countries also reported lower production expectations for the investment goods industry, together with Italy and Luxembourg.

13 December 1982

TABLE 1: Indicators of economic sentiment

European Community¹

		1974	1975	1976	1977	1978	1979	1980	1981	1982
Economic sentiment indicator ⁴ 1975=100										
year		101,4	100,0	102,9	102,3	103,9	104,5	101,8	100,0	
quarter	I	103,4	98,8	103,0	102,0	103,1	104,5	102,8	100,1	100,1
	II	102,8	100,1	103,8	101,9	103,7	105,1	102,0	100,2	100,6
	III	100,7	100,1	103,1	102,3	104,2	104,8	101,4	100,0	100,2
	IV	98,7	101,0	101,6	102,8	104,5	103,8	100,9	99,7	
month	1	103,9	98,3	102,5	102,0	103,0	104,5	103,0	100,3	99,9
	2	103,2	98,8	103,0	102,0	103,1	104,3	102,7	100,1	100,1
	3	103,1	99,4	103,4	102,0	103,2	104,8	102,6	100,1	100,3
	4	103,0	99,7	103,7	101,9	103,5	105,0	102,3	100,4	100,5
	5	103,0	100,3	103,9	101,9	103,7	105,2	102,0	100,3	101,0
	6	102,4	100,2	103,7	101,9	103,8	105,0	101,8	100,1	100,7
	7	101,5	100,1	103,5	102,0	103,9	104,9	101,5	99,9	100,1
	8	100,9	100,1	103,1	102,3	104,2	104,8	101,5	100,1	99,9
	9	99,7	100,1	102,6	102,6	104,3	104,6	101,2	99,9	99,7
	10	99,1	100,4	101,7	102,6	104,3	104,1	101,2	99,6	99,8
	11	98,6	101,0	101,5	102,8	104,5	103,8	100,9	99,6	99,8
	12	98,3	101,7	101,7	102,9	104,6	103,4	100,5	99,8	
Construction industry, survey results ⁴										
year		:	:	:	–33	–21	–10	–23	–39	:
quarter	I	:	:	:	–36	–26	–12	–14	–35	–45
	II	:	:	:	–36	–23	–10	–23	–36	–47
	III	:	:	:	–32	–20	–9	–25	–42	–45
	IV	:	:	:	–29	–14	–11	–31	–45	:
Consumer confidence index ⁴ 1975=100										
year		98	100	107	107	113	109	99	94	:
quarter	I	99	96	106	106	113	111	99	94	94
	II	101	102	109	104	113	113	100	95	100
	III	98	101	107	108	113	109	99	93	96
	IV	96	101	104	111	113	105	98	92	93
Share price index ⁴ 1975=100										
year		91	100	110	120	133	147	153	168	:
quarter	I	106	89	117	111	123	143	145	164	174
	II	100	103	115	117	129	152	145	174	179
	III	83	100	109	123	140	150	157	170	181
	IV	73	108	99	127	141	142	164	163	:
month	1	108	78	116	109	125	140	142	160	171
	2	107	92	118	111	122	139	150	165	177
	3	104	97	118	113	123	149	144	168	176
	4	103	101	117	114	126	154	142	176	178
	5	102	104	116	119	130	153	144	175	182
	6	96	102	113	118	131	148	149	170	179
	7	89	100	113	118	133	147	154	168	177
	8	84	99	110	123	141	150	156	175	181
	9	76	102	106	129	144	152	159	166	189
	10	73	104	97	130	143	147	163	158	196
	11	73	109	98	126	138	140	167	163	:
	12	72	110	103	125	141	140	162	167	:

For footnotes, see below.

Notes to Graph 1 and Table 1:

¹ Weighted total of available country data.

² Three-month moving average.

³ Quarterly figures for the Federal Republic of Germany, France, Italy and UK.

⁴ See methodological note on page 4 of the November 1982 issue of this Supplement.

⁵ Quarterly series are constructed by attributing results of the January, May and October surveys to the first, second and fourth quarters respectively. Third quarter data are interpolated between second and fourth quarter values.

¹ For a fuller description of the composition and method of calculation of this indicator, see the November 1982 issue of this Supplement.

² For detailed results of the latest EC consumer survey, see 'European Economy — Supplement C — No. 3, December 1982'.

GRAPH 2: Monthly survey of manufacturing industry and related economic indicators: EC 9

Historical data, 1968 to 1982 (For notes, see last page)

(Shaded areas indicate periods of below-trend economic growth or recession, although it is not yet clear when the end to the current recession may be dated.)

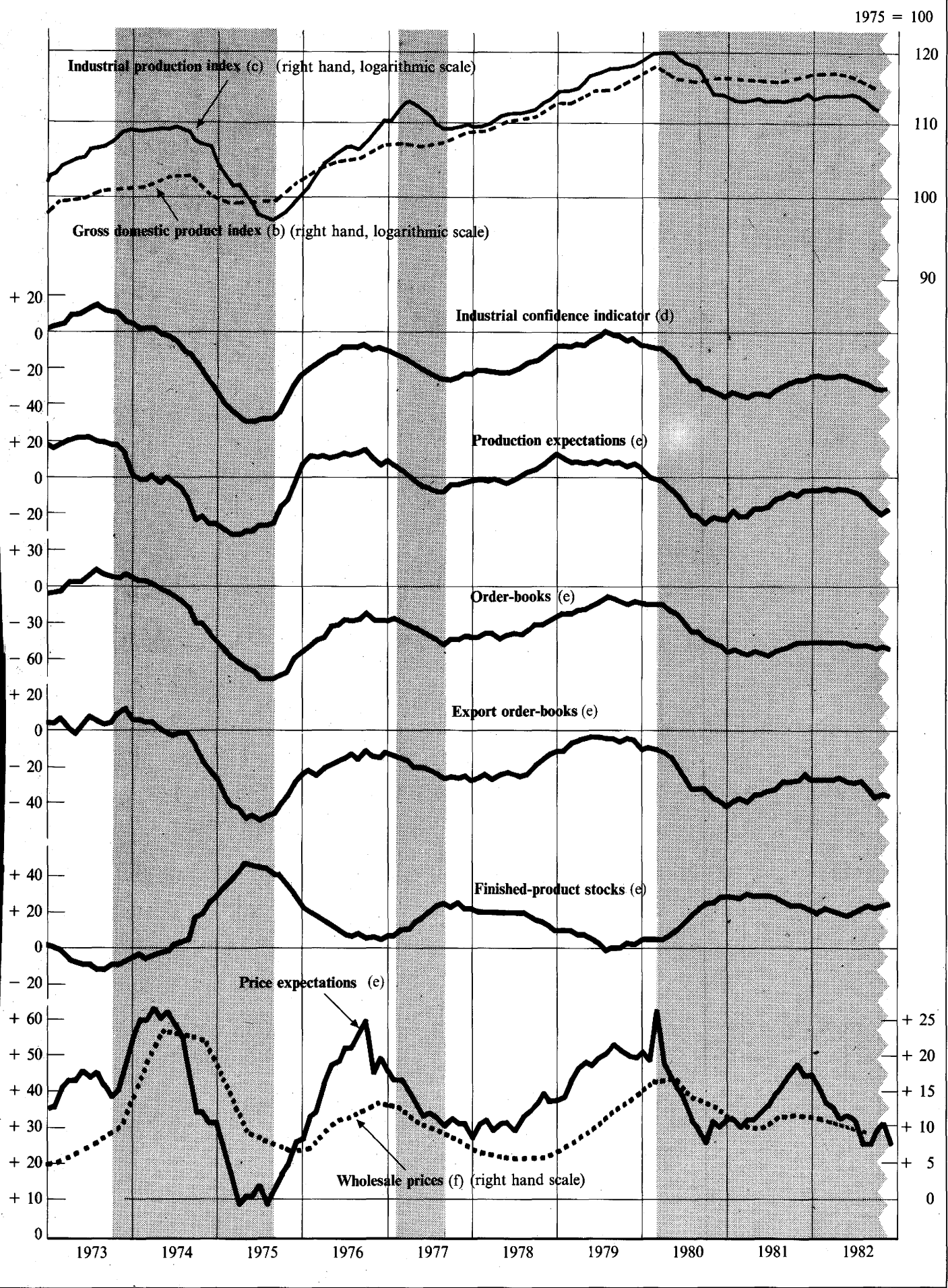


TABLE 4: Monthly survey (a) of manufacturing industry and related economic time-series: EC 9
Historical data, 1968 to 1982.

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Indices based on 1975 = 100															
Gross domestic product															
at constant market prices (b)															
year	78,4	83,1	87,6	90,6	94,3	99,7	101,3	100,0	105,1	107,7	111,4	115,3	116,8	116,3	:
quarter	1	80,9	85,5	89,3	92,9	98,8	101,5	99,2	103,8	107,6	109,9	113,4	118,2	116,6	117,4
	2	82,4	87,5	90,0	93,6	99,2	101,5	99,4	104,6	107,0	111,2	115,2	116,6	115,9	117,0
	3	83,7	88,1	91,2	94,2	100,2	102,0	99,8	105,3	107,4	111,5	115,5	116,6	115,8	115,7
	4	83,7	87,5	89,2	91,9	96,5	100,7	100,1	101,6	106,8	108,7	113,0	117,1	116,3	117,0
Industrial production (c)															
Indices based on 1975 = 100															
year	81,2	88,5	92,8	94,9	99,1	106,5	107,1	100,0	107,4	109,9	112,6	118,1	117,1	114,5	:
quarter	1	77,2	84,3	89,7	91,8	93,5	101,5	107,6	101,2	103,9	112,5	110,5	120,1	114,1	114,6
	2	77,9	87,5	90,8	91,9	95,5	103,6	108,8	97,2	106,8	110,5	111,3	117,5	118,6	114,0
	3	82,7	87,8	90,5	91,7	95,4	104,4	107,1	97,1	107,5	109,4	112,0	118,6	115,5	114,1
	4	84,7	87,5	91,2	92,9	100,2	106,1	103,8	100,9	110,2	109,2	114,9	119,9	114,2	112,2
month	1	78,5	84,8	88,1	91,5	92,8	100,5	106,4	102,2	101,9	111,4	109,4	114,5	120,3	113,8
	2	79,1	84,7	88,9	91,9	92,5	101,5	106,9	101,2	103,0	111,9	109,9	114,9	120,2	114,0
	3	77,2	84,3	89,7	91,8	93,5	101,5	107,6	101,2	103,9	112,5	110,5	115,0	120,1	114,1
	4	78,0	85,1	90,1	91,5	94,0	102,4	108,1	100,2	105,2	112,0	111,1	116,5	120,1	114,5
	5	77,3	86,3	91,1	91,5	95,2	102,5	108,1	98,6	106,0	111,3	111,5	117,0	119,4	113,9
	6	77,9	87,5	90,8	91,9	95,5	103,6	108,8	97,2	106,8	110,5	111,3	117,5	118,6	114,0
	7	78,8	88,2	90,9	91,9	95,1	103,5	108,5	96,8	107,0	109,6	111,2	118,1	118,1	114,3
	8	81,5	88,3	90,1	91,1	94,8	103,9	108,5	109,2	109,2	111,2	111,2	118,4	117,0	113,9
	9	82,7	87,8	90,5	91,7	95,4	104,4	107,1	97,1	107,5	109,4	112,0	118,6	115,5	114,1
	10	83,2	87,1	90,9	92,6	97,0	105,5	106,6	98,1	108,5	109,7	112,6	118,5	115,2	114,1
	11	83,2	87,1	91,1	93,6	98,6	106,1	105,9	99,7	110,0	109,5	113,7	119,2	114,3	114,7
	12	84,7	87,5	91,2	92,9	100,2	106,1	103,8	100,9	110,2	109,2	114,9	119,9	114,2	114,2
Industrial confidence indicator (d)															
Net balances, %															
year	3	21	5	-13	-7	11	-10	-41	-10	-19	-17	-3	-20	-31	:
quarter	1	-9	16	17	-10	-15	7	3	-41	-17	-11	-20	-6	-7	-34
	2	-1	22	9	-12	-9	13	-2	-48	-9	-19	-21	-3	-17	-33
	3	-7	24	0	-13	-4	14	-11	-45	-6	-24	-17	0	-27	-29
	4	16	23	-7	-19	2	8	-28	-29	-8	-22	-9	-3	-33	-25
month	1	-12	14	19	-11	-17	5	3	-38	-19	-9	-20	-6	-6	-32
	2	-10	16	17	-9	-15	6	3	-42	-17	-11	-20	-7	-7	-34
	3	-6	18	14	-11	-12	11	3	-45	-14	-13	-20	-5	-7	-35
	4	-5	20	13	-10	-11	12	1	-48	-11	-16	-21	-6	-11	-33
	5	-1	24	9	-12	-8	13	-4	-47	-7	-19	-20	-1	-14	-32
	6	4	25	2	-12	-6	16	-8	-46	-7	-23	-19	2	-25	-31
	7	7	24	0	-12	-4	14	-11	-46	-7	-25	-16	0	-26	-29
	8	10	23	-1	-14	-3	13	-16	-43	-5	-25	-15	-1	-30	-27
	9	15	23	-5	-19	-1	12	-23	-37	-8	-24	-13	-3	-30	-26
	10	15	23	-6	-20	2	7	-28	-28	-7	-22	-9	-2	-33	-26
	11	15	23	-6	-20	2	7	-28	-28	-7	-22	-9	-2	-33	-26
	12	17	23	-9	-19	4	6	-32	-22	-8	-22	-6	-5	-35	-24
Production expectations (e)															
Net balances, %															
year	19	23	10	1	11	17	-7	-16	11	-2	4	9	-13	-13	:
quarter	1	11	22	19	4	2	20	-28	13	4	0	10	-1	-19	-6
	2	16	25	12	3	9	23	-2	13	0	0	10	-9	-16	-6
	3	22	23	6	-3	14	20	-7	14	-7	3	9	-21	-9	-13
	4	27	24	2	-6	19	11	-21	1	10	-2	12	6	-22	-7
month	1	10	23	23	1	-2	18	-27	13	8	0	12	0	-17	-6
	2	10	21	21	5	-2	20	-1	29	13	-1	10	0	-20	-6
	3	14	23	15	5	5	22	-1	30	13	-2	10	-2	-20	-6
	4	12	25	16	7	5	23	-2	29	12	-1	9	-4	-16	-5
	5	17	26	12	1	10	24	0	-27	13	-4	-2	10	-8	-15
	6	19	25	9	1	11	24	-3	-24	15	-5	0	9	-14	-16
	7	20	25	6	4	12	22	0	-25	13	-8	3	11	-20	-10
	8	21	23	6	4	15	21	-10	-24	15	-7	5	9	-20	-9
	9	24	22	6	4	16	19	-12	-17	15	-5	4	9	-24	-7
	10	25	23	3	-4	21	19	-19	-10	11	-3	8	8	-22	-8
	11	27	23	4	-8	19	11	-22	1	10	-1	11	8	-22	-7
	12	27	24	0	-6	20	4	-23	10	11	-1	15	4	-23	-6
Order-books (e)															
Net balances, %															
year	-7	-26	4	-23	-20	5	-14	-59	-30	-40	-34	-14	-31	-51	:
quarter	1	-27	17	18	-18	0	5	-56	-42	-29	-38	-18	-14	-53	-45
	2	-13	26	10	-22	7	-3	-68	-29	-36	-41	-14	-24	-54	-45
	3	-2	31	-1	-24	-17	12	-16	-69	-25	-44	-34	-39	-50	-49
	4	13	28	-10	-30	-10	9	-37	-56	-27	-41	-26	-12	-48	-45
month	1	-30	14	20	-17	-30	-2	7	-51	-47	-25	-40	-21	-13	-50
	2	-28	19	19	-16	-29	-2	6	-57	-42	-28	-37	-19	-15	-53
	3	-22	21	17	-20	-27	5	4	-61	-39	-30	-38	-15	-13	-55
	4	-18	23	15	-20	-24	6	0	-67	-32	-32	-42	-16	-19	-53
	5	-13	25	11	-22	-22	6	-3	-68	-30	-36	-38	-14	-23	-54
	6	-8	31	4	-24	-22	12	-5	-70	-26	-39	-37	-11	-29	-56
	7	-6	32	1	-23	-19	12	-10	-70	-27	-41	-37	-7	-36	-53
	8	-2	30	-4	-24	-17	12	-14	-70	-26	-45	-36	-8	-36	-48
	9	13	29	-8	-31	-15	9	-29	-64	-26	-43	-31	-11	-43	-47
	10	11	28	-10	-30	-9	11	-37	-56	-27	-40	-27	-11	-47	-46
	11	11	28	-10	-30	-9	11	-37	-56	-27	-40	-27	-11	-47	-46
	12	14	27	-14	-30	-3	9	-44	-52	-27	-40	-23	-12	-53	-45
Export order-books (e)															
Net balances, %															
year	:	:	-1	-18	-9	7	-4	-39	-8	-18	-20	-6	-24	-31	:
quarter	1	:	0	-7	-22	5	5	-38	-13	-6	-25	-9	-10	-37	-26
	2	:	2	-16	-15	5	0	-47	-7	-19	-25	-7	-20	-37	-27
	3	:	-2	-19	-6	6	-2	-43	-4	-23	-19	-7	-32	-39	-31
	4	:	-3	-29	-10	11	-20	-28	-7	-24	-13	-8	-37	-25	:
month	1	:	1	-6	-23	5	6	-34	-13	-4	-23	-11	-9	-37	-26
	2	:	1	-9	-23	5	5	-40	-15	-7	-24	-10	-9	-36	-26
	3	:	2	-11	-19	2	2	-42	-12	-8	-24	-7	-11	-38	-26
	4	:	2	-11	-17	0	2	-47	-7	-18	-24	-5	-13	-34	-25
	5	:	4	-19	-14	5	0	-45	-8	-19	-22	-5	-19	-34	-27
	6	:	1	-19	-14	10	-2	-48	-5	-20	-22	-5	-26	-33	-28
	7	:	-6	-13	-12	7	0	-46	-2	-21	-22	-5	-32	-31	-27

TABLE 2: Monthly survey of manufacturing industry — Monthly questions and the composite business climate indicator

Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (a)

		Range (b)		1979	1980	1981	1981 IV	1982			1982					
		Peak 1972/73	Trough 1974/75					I	II	III	July	Aug.	Sept.	Oct.	Oct.	Nov.
B	production expectations	+31	-56	-3	-24	-26	-21	-18	-12	-16	-14	-18	-18	-25	-24	
	order-books	+13	-74 ^R	-30	-31	-45	-41	-42	-38	-37	-36	-36	-40	-38	-42	
	export order-books	+15	-82	-28	-36	-47	-38	-41	-38	-39	-38	-37	-41	-42	-42	
	stocks of finished products	-14	+37	+12	+11	+11	+9	+8	+3	+10	+11	+9	+10	+13	+11	
	selling-price expectations	+64	-10	+27	+20	+29	+38	+34	+33	+23	+24	+20	+24	+24	+22	
	industrial confidence indicator	+19	-56	-15	-22	-27	-24	-23	-18	-21	-20	-21	-23	-25	-26	
DK	production expectations	:	:	:	-4	-3	+7	-14	+16	-7	:	:	:	:	:	
	order-books	:	:	:	-6	-24	-18	-15	-14	-23	:	:	:	:	:	
	export order-books	:	:	:	+9	-8	-3	-1	-3	-12	:	:	:	:	:	
	stocks of finished products	:	:	:	+16	+17	+13	+11	+15	+19	:	:	:	:	:	
	industrial confidence indicator	:	:	:	-9	-15	-8	-13	-4	-16	:	:	:	:	:	
D	production expectations	+17	-32	+6	-10	-17	-12	-14	-14	-22	-16	-21	-28	-30	-25	
	order-books	+5	-73	-15	-21	-46	-45	-48	-51	-56	-55	-55	-57	-57	-59	
	export order-books (c)	+23	-33	+4	-4	-1	+2	-1	-3	-9	-5	-13	-19	-15	-12	
	stocks of finished products	-7	+43	+4	+11	+26	+27	+23	+25	+27	+26	+26	+28	+28	+31	
	selling-price expectations	+55	+4	+32	+26	+32	+33	+24	+19	+17	+18	+16	+16	+17	+10	
	industrial confidence indicator	+10	-49	-4	-14	-30	-28	-28	-30	-35	-32	-34	-38	-38	-38	
F	production expectations	+33	-29	+12	-6	-11	-1	+2	+1	-5	0	:	-10	-14	-12	
	order-books	+26	-69	-9	-22	-46	-37	-30	-28	-33	-30	:	-36	-31	-28	
	export order-books	+24	-66	-1	-29	-47	-43	-35	-36	-34	-29	:	-38	-42	-40	
	stocks of finished products	-14	+50	+10	+17	+34	+23	+19	+13	+16	+17	:	+14	+14	+18	
	selling-price expectations	+76	+15	+55	+50	+54	+64	+52	+54	+30	+17	:	+43	+60	+64	
	industrial confidence indicator	+24	-49	-2	-15	-30	-20	-16	-13	-18	-16	:	-20	-20	-19	
IRL	production expectations	:	-21	:	-12	-1	+6	+1	+1	-8	-9	-3	-13	-11	0	
	order-books	:	-68	:	-50	-36	-22	-38	-26	-45	-43	-42	-51	-47	-43	
	export order-books	:	-22	:	-6	+2	+6	-10	+2	-14	-13	-7	-23	+1	-10	
	stocks of finished products	:	+35	:	+31	+16	+12	+9	+9	+21	+23	+16	+24	+18	+20	
	selling-price expectations	:	+64	:	+43	+41	+46	+47	+40	+27	+36	+21	+25	+25	+29	
	industrial confidence indicator	:	-41	:	-31	-18	-9	-15	-11	-25	-25	-20	-29	-25	-21	
I	production expectations	+40	-43	+13	-7	-16	-16	-8	-8	-19	-16	-20	-22	-26	-21	
	order-books	+30	-82	-5	-22	-49	-47	-53	-49	-53	-50	-58	-52	-55	-63	
	export order-books	+13	-67	-14	-37	-45	-37	-46	-45	-51	-49	-49	-55	-52	-56	
	stocks of finished products	-24	+53	-1	+11	+28	+27	+24	+23	+28	+30	+26	+28	+32	+27	
	selling-price expectations	+76	+10	+66	+63	+59	+57	+50	+48	+54	+52	+54	+56	+48	+48	
	industrial confidence indicator	+31	-59	+3	-13	-31	-30	-28	-27	-33	-32	-35	-34	-38	-37	
L	production expectations	+84	-80	-2	-33	-39	-40	-37	-43	-45	-39	-39	-56	-39	-33	
	order-books	:	:	-44	-42	-82	-58	-49	-62	-60	-57	-58	-65	-65	-66	
	export order-books	:	:	-26	-52	-81	-77	-59	-78	-77	-74	-75	-81	-84	-69	
	stocks of finished products	-14	+74	+48	+63	+28	+14	+11	+7	+13	+15	+10	+14	+18	+8	
	selling-price expectations	:	-46 ^R	+14	+8	+60	+72	+69	+9	-23	-5	-29	-35	-33	+3	
	industrial confidence indicator	:	:	-31	-46	-43	-37	-32	-37	-39	-37	-36	-45	-41	-36	
NL (c)	production expectations	+26	-26 ^R	+7	-3	-6	-7	-3	-1	-5	-3	-5	-7	-6	-6	
	order-books	+7	-48	-13	-20	-37	-34	-38	-40	-41	-41	-40	-41	-35	-33	
	stocks of finished products	-3 ^R	+57	+8	+15	+32	+32	+38	+36	+32	+33	+33	+29	+28	+24	
	selling-price expectations	+12	-44	-5	-13	-25	-24	-26	-26	-26	-26	-26	-26	-23	-21	
	industrial confidence indicator	:	:	:	-4	-43	-33	-25	-24	-24	-25	-23	-27	-27	-30	
UK	production expectations	:	:	+12	-30	-4	+4	+5	+1	+1	+3	-1	0	-4	-4	
	order-books	:	:	-18	-65	-69	-58	-54	-52	-53	-54	-52	-54	-52	-59	
	export order-books	:	:	-20	-45	-55	-45	-44	-46	-50	-47	-52	-50	-48	-58	
	stocks of finished products	:	:	+7	+34	+27	+21	+24	+21	+24	+19	+27	+27	+24	+26	
	selling-price expectations	:	:	+65	+36	+25	+40	+37	+26	+27	+35	+24	+22	+17	+15	
	industrial confidence indicator	:	:	-4	-43	-33	-25	-24	-24	-25	-23	-27	-27	-30	-30	
EC (d)(e)	production expectations	+24	-30	+9	-13	-13	-7	-6	-6	-13	-8	-13	-17	-19	-18	
	order-books	+15	-70	-12	-31	-51	-45	-45	-45	-49	-48	-48	-50	-49	-48	
	export order-books	+14	-48	-6	-24	-31	-25	-26	-27	-31	-27	-31	-36	-34	-35	
	stocks of finished products	-10	+48	+5	+17	+28	+24	+22	+20	+23	+23	+24	+23	+24	+25	
	selling-price expectations	+64 ^R	+9	+49	+38	+40	+46	+38	+33	+28	+26	+26	+30	+32	+30	
	industrial confidence indicator	+16	-49	-3	-20	-31	-25	-24	-24	-28	-26	-28	-30	-31	-30	

TABLE 3: Monthly survey of manufacturing industry — Production expectations in the major sectors of manufacturing industry

Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (a)

	Industrial sector	Range (b)		1979	1980	1981	1981 IV	1982			1982					
		Peak 1972/73	Trough 1974/75					I	II	III	July	Aug.	Sept.	Oct.	Oct.	Nov.
B	consumer goods	+34	-43	-4	-17	-28	-22	-17	-2	-8	-3	-13	-9	-19	-20	
	investment goods	+27	-58	-3	-23	-31	-33	-28	-19	-20	-15	-27	-18	-28	-25	
	intermediate goods	+33 ^R	-63	-4	-31	-23	-14	-18	-18	-23	-22	-20	-27	-30	-31	
DK	consumer goods	:	:	:	+5	+1	+15	-19	+21	+4	:	:	:	:	:	
	investment goods	:	:	:	-4	0	+14	-5	+21	-16	:	:	:	:	:	
	intermediate goods	:	:	:	-9	-10	-12	-23	+12	-6	:	:	:	:	:	
D	consumer goods	+18	-30	-1	-5	-16	-12	-13	-14	-23	-14	-25	-30	-27	-22	
	investment goods	+17	-28	+9	-1	-11	-10	-13	-16	-21	-17	-20	-27	-25	-24	
	intermediate goods	+26	-44 ^R	+6	-15	-20	-15	-15	-14	-21	-15	-21	-26	-34	-27	
F	consumer goods	+42	-22	+21	-0	-8	+11	+10	+21	+16	+24	+16	+8	+3	+2	
	investment goods	+35	-31	+6	-1	-6	-5	0	-6	-6	-3	-5	-9	-21	-16	
	intermediate goods	+33	-39	+9	-15	-18	-8	-2	-9	-20	-17	-20	-22	-21	-22	
IRL	consumer goods	:	-28	:	-12	-9	-7	-7	+4	+1	+26	-1	-23	+10	+19	
	investment goods	:	-65	:	-15	-7	+12	+28	+23	+24	+22	+20	+31	+36	+20	
	intermediate goods	:	-22	:	-18	-6	+1	-3	-4	-21	-30	-8	-25	-30	-5	
I	consumer goods	+36	-55	+14	-5	-18	-16	-8	-8	-14	-15	-14	-13	-18	-18	
	investment goods	+41	-34	+9	+3	-11	-12	-10	-10	-18	-17	-16	-20	-10	-13	
	intermediate goods	+49	-41 ^R	+14	-8	-14	-17	-7	-6	-18	-11	-21	-21	-31	-28	
L	consumer goods	+43	-73	+15	+23	+19	+29	+1	+5	+15	+3	-1	+43	+41	+24	
	investment goods	+33	-41	-7	-13	-38	-30	-13	-6	-4	+2	+1	-16	-6	-18	
	intermediate goods	:	:	-8	-42	-43	-47	-44	-55	-58	-51	-50	-72	-54	-41	
NL (c)	consumer goods	+33	-26	+11	-1	-3	-9	-1	-4	-9	-7	-8	-12	+3	+5	
	investment goods	+39 ^R	-53	+1	-6	-8	-8	-10	-6	-4	-3	-4	-5	-7	-11	
	intermediate goods	+43	-22	+12	-1	-4	-5	0	+2	-5	-4	-5	-6	-9	-8	
UK	consumer goods	:	:	+15	-29	-5	+4	+3	+5	+5	+10	+3	+1	+1	-3	
	investment goods	:	:	+16	-18	-8	+5	+6	-1	-2	-1	0	-4	-4	-19	
	intermediate goods	:	:	+7	-40	-4	+4	+1	-4	-1	+2	-3	+2	-3	+4	
EC (d)(e)	consumer goods	+29	-24 ^R	+9	-9	-13	-5	-3	0	-6	0	-6	-11	-11	-10	
	investment goods	+28	-31 ^R	+9	-5	-10	-9	-6	-10	-12	-9	-11	-16	-17	-18	
	intermediate goods	+25 ^R	-37	+8	-19	-15	-9	-8	-9	-16	-10	-17	-20	-22	-22	

(a) Details of the questions are given on the last page.

(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the course of 1972/73 and 1974/75, respectively.

(c) The series for the Federal Republic of Germany concerns the export outlook, rather than orders as such.

(d) Not including Greece, where the survey time series are too short to permit an analysis of trends. (The Community survey was extended to Greece at the beginning of 1981.)

(e) In October 1982 the sample size of the business survey in the Netherlands was increased. Consequently, results calculated on the basis of the previous sample may differ from those on the revised basis. Dual series are published for October 1982 only, the first column relating to data of the previous sample, the second column to the revised sample.

Note: (s.a.) = seasonally adjusted.

TABLE 4 (cont.): Monthly survey of manufacturing industry and related economic time-series: EC 9
Historical data, 1968 to 1982.

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Selling-price expectations (e)															
year	11	30	29	24	27	44	48	20	48	34	35	49	38	40	:
quarter	1	0	20	41	27	23	41	60	18	38	42	43	50	32	38
	2	5	27	29	27	28	46	62	15	50	34	31	50	42	35
	3	18	29	24	22	25	42	45	13	61	33	36	52	29	44
	4	16	42	26	18	31	49	33	26	46	29	39	52	33	46
month	1	- 3	10	42	27	22	38	61	26	34	44	32	39	49	33
	2	0	20	38	27	23	42	61	19	35	44	33	40	53	31
	3	3	23	35	28	26	44	64	10	43	42	30	48	49	33
	4	3	29	32	28	27	44	61	12	49	37	32	48	46	33
	5	7	28	30	28	28	47	63	12	49	34	32	49	42	35
	6	15	29	26	26	28	45	59	15	54	34	30	50	39	37
	7	22	30	24	23	27	46	51	10	54	34	35	51	33	41
	8	20	33	25	21	25	42	47	14	57	32	35	54	31	43
	9	19	36	25	22	23	39	40	15	58	32	36	51	26	45
	10	17	41	24	20	26	43	35	21	46	32	41	53	33	49
	11	15	43	26	16	29	48	32	27	50	32	38	51	31	45
	12	14	41	27	18	36	56	32	28	46	28	38	52	33	45
Wholesale prices (f) of manufactured goods															
year	:	3,4	5,7	5,5	3,9	8,1	22,0	10,0	11,3	10,5	6,4	11,0	15,2	11,5	:
quarter	1	2,0	6,0	5,4	3,5	5,7	18,0	15,8	8,0	13,3	6,8	7,8	16,8	11,0	11,6
	2	2,9	4,6	7,1	3,5	7,0	23,7	9,5	11,1	11,0	6,3	9,7	17,0	10,8	10,2
	3	3,7	6,2	5,3	3,6	8,9	23,3	8,2	12,4	9,8	6,2	12,2	14,3	12,1	9,1
	4	4,8	5,9	4,2	4,9	10,5	22,9	7,1	13,7	8,3	6,4	14,1	13,1	12,3	:

- (a) Total of available country data.
(b) The data cover the Federal Republic of Germany (gross national product), France, Italy and the United Kingdom, representing approximately 80 % of Community production. The series are based on 1975 prices and exchange rates. All available revisions are included.
(c) Industrial production excluding building and construction and, in the case of France, the foodstuffs and beverages industry. Three months' moving average, latest revisions included.
(d) Composite indicator based on the survey questions on production expectations, stocks of finished products and order books (see notes below). The indicator is an average of the net balances, i.e. the differences between the percentages of respondents giving positive or negative replies, with the sign inverted for stocks.
(e) Details of the questions are given in the notes below.
(f) The component indices for Member States are taken from national sources. In the case of France, retail prices of manufactured goods are used.
Sources: Eurostat and European Community business surveys.

European Community business surveys

The Community's business surveys, of industry and the construction sector, have been progressively developed since 1962. They are undertaken by national institutions on the basis of the Commission's harmonized questionnaires. The results are communicated to the Commission which processes and publishes the data for Member States and the Community as a whole. The number of enterprises surveyed in manufacturing industry is about 20 000, and in the construction sector about 10 000.

The questions put in the business surveys have the content and periodicity set out below. In general, the questionnaires are sent out at end-month and are returned by the respondents in the course of the following two or three weeks.

QUESTIONS

Manufacturing industry, excluding food, beverages and tobacco

Monthly:

- estimate of production trend in recent months: up, unchanged, down?
- order-books: above normal, normal, below normal?
- export order-books: above normal, normal, below normal?
- stocks of finished products: above normal, normal, below normal?
- production expectations for the months ahead: up, unchanged, down?
- selling price expectations in the months ahead: up, unchanged, down?

Quarterly (January, April, July and October):

- employment expectations for the months ahead: up, unchanged, down?
- limits to production: none, insufficient demand, shortage of labour, lack of equipment?
- production capacity: more than sufficient, sufficient, not sufficient?
- duration of assured production: in months?
- new orders in the recent past: up, unchanged, down?
- export volume expectations for the months ahead: up, unchanged, down?
- capacity utilization: in %?
- stocks of raw materials: high, normal, low?

All industries, including manufacturing, extractive and food

Half-yearly (undertaken in March/April and October/November):

- investment trends and prospects: yearly percentage change of investment expenditure in current money values.

Building industry

Monthly (except for France and the United Kingdom, where the survey is carried out quarterly):

- current production compared with the preceding month: up, unchanged, down?
- factors holding up production: bad weather, shortage of manpower, shortage of equipment, none?
- order-books or production schedules: above normal, normal, below normal?
- employment expectations for the months ahead: up, unchanged, down?
- price expectations in the months ahead: up, unchanged, down?

Quarterly (January, April, July and October):

- duration of assured production: in months?

The surveys are undertaken by:

- B - Belgium: Banque Nationale de Belgique
- DK - Denmark: Danmarks Statistik
- D - Federal Republic of Germany: IFO (Institut für Wirtschaftsforschung)
- GR - Greece: Institute of Economic and Industrial Research
- F - France: INSEE (Institut National de la Statistique et des Etudes Economiques)
- IRL - Ireland: CII (Confederation of Irish Industries) and ESRI (Economic and Social Research Institute)
- I - Italy: ISCO (Istituto Nazionale per lo Studio della Congiuntura)
- L - Luxembourg: STATEC (Service Central de la Statistique et des Etudes Economiques)
- NL - Netherlands: CBS (Centraal Bureau voor de Statistiek)
- UK - United Kingdom: CBI (Confederation of British Industry), for the manufacturing industry survey
DI (Department of Industry), for the investment survey
National Federation of Building Trade Employers, for the construction survey.

Supplement B to 'European Economy', gives a monthly selection of the most recent results. The surveys of manufacturing industry are broken down by 20 industrial sectors, and also by consumer, intermediate and capital goods branches; the results in this detail are published each month by the Office for Official Publications of the European Communities in 'Business surveys' (ISSN 0378-4479). The results of consumer surveys appear three times a year in Supplement C to 'European Economy'.

Prices (excluding VAT) in Luxembourg

	ECU	BFR	IRL	UKL	USD	
'European Economy' (4 issues per year)	19.64	800	13.50	11.60	22.80	The annual subscription runs from 1 January to 31 December of each year.
Supplements						
Series A - 'Recent economic trends' (11 issues per year)	9.82	400	6.75	5.80	11.50	Payments to be made only to the agents in the countries listed on page 3 of the cover of European Economy.
Series B - 'Economic prospects - business survey results' (11 issues per year)	9.82	400	6.75	5.80	11.50	
Series C - 'Economic prospects - consumer survey results' (3 issues per year)	3.69	150	2.50	2.20	4.20	
All three supplements	23.32	950	16.00	13.80	27.00	These are surface mail rates; for air subscription rates please apply to the agents.
Combined subscription - 'European Economy' and supplements	42.97	1 750	29.40	25.50	50.00	

